

Article 9B.

Uniform Standards Code For Manufactured Homes.

§ 143-144. Short title.

This Article shall be known and may be cited as "The Uniform Standards for Manufactured Homes Act." (1969, c. 961, s. 1; 1985, c. 487, s. 7; 1987, c. 429, s. 19; 1999-393, s. 2.)

§ 143-145. Definitions.

The following definitions apply in this Article:

- (1) Act. – The National Manufactured Housing Construction and Safety Standards Act of 1974, 42 U.S.C. § 5401, et seq., federal regulations adopted under the Act, and any laws enacted by the United States Congress that supersede or supplement the Act.
- (2) Commissioner. – The Commissioner of Insurance of the State of North Carolina or an authorized designee of the Commissioner.
- (3) Repealed by Session Laws 1999-393, s. 2.
- (4) HUD. – The United States Department of Housing and Urban Development or any successor agency.
- (5) Inspection department. – A North Carolina city or county building inspection department authorized by Chapter 160A or Chapter 153A of the General Statutes.
- (6) Label. – The form of certification required by HUD to be permanently affixed to each transportable section of each manufactured home manufactured for sale to a purchaser in the United States to indicate that the manufactured home conforms to all applicable federal construction and safety standards.
- (7) Manufactured home. – A structure, transportable in one or more sections, which in the traveling mode is eight body feet or more in width, or 40 body feet or more in length, or, when erected on site, is 320 or more square feet; and which is built on a permanent chassis and designed to be used as a dwelling, with or without permanent foundation when connected to the required utilities, including the plumbing, heating, air conditioning and electrical systems contained therein. "Manufactured home" includes any structure that meets all of the requirements of this subsection except the size requirements and with respect to which the manufacturer voluntarily files a certification required by the Secretary of HUD and complies with the standards established under the Act.

For manufactured homes built before June 15, 1976, "manufactured home" means a portable manufactured housing unit designed for transportation on its own chassis and placement on a temporary or semipermanent foundation having a measurement of over 32 feet in length and over eight feet in width. "Manufactured home" also means a double-wide manufactured home, which is two or more portable manufactured housing units designed for transportation on their own chassis that connect on site for placement on a temporary or semipermanent foundation having a measurement of over 32 feet in length and over eight feet in width.

- (8) Repealed by Session Laws 1999-393, s. 2. (1969, c. 961, s. 2; 1971, c. 1172, s. 1; 1985, c. 487, s. 7; 1987, c. 429, ss. 10, 19; 1999-393, s. 2.)

§ 143-146. Statement of policy; rule-making power.

(a) Manufactured homes, because of the manner of their construction, assembly and use and that of their systems, components and appliances (including heating, plumbing and electrical systems) like other finished products having concealed vital parts may present hazards to the health, life and safety of persons and to the safety of property unless properly manufactured. In the sale of manufactured homes, there is also the possibility of defects not readily ascertainable when inspected by purchasers. It is the policy and purpose of this State to provide protection to the public against those possible hazards, and for that purpose to forbid the manufacture and sale of new manufactured homes, which are not so constructed as to provide reasonable safety and protection to their owners and users. This Article provides to the Commissioner all necessary authority to enable the State to obtain approval as a State Administrative Agency under the provisions of the Act.

(b) through (d) Repealed by Session Laws 1999-393, s. 2.

(e) The Commissioner may adopt rules to carry out the provisions of the Act and this Article, including rules for consumer complaint procedures and rules for the enforcement of the standards and regulations established and adopted by HUD under the Act. (1969, c. 961, s. 3; 1971, c. 1172, s. 2; 1979, c. 558, ss. 5, 6; 1985, c. 487, s. 7; 1987, c. 429, ss. 11, 12, 18, 19; 1999-393, s. 2.)

§ 143-147. Structures built under previous standards.

The legal status of any structure built before the effective date of the Act shall not be affected by any changes made in this Article by the General Assembly. (1969, c. 961, s. 4; 1971, c. 1172, s. 3; 1985, c. 487, s. 7; 1987, c. 429, s. 19; 1999-393, s. 2.)

§ 143-148. Certain structures excluded from coverage.

The Commissioner may by rule provide for the exclusion of certain structures by certification in accordance with the Act. (1969, c. 961, s. 5; 1971, c. 1172, s. 4; 1979, c. 558, s. 3; 1987, c. 429, s. 13; 1999-393, s. 2.)

§ 143-149. Necessity for obtaining label for purposes of sale.

No person shall sell or offer for sale any manufactured home in this State that does not have a label. It is a defense to any prosecution for a violation of this section if a person shows that a certificate of title for the manufactured home as required by G.S. 20-52 was obtained before June 15, 1976, or produces other satisfactory evidence on file with the North Carolina Division of Motor Vehicles that the manufactured home was manufactured before June 15, 1976. (1971, c. 1172, s. 5; 1985, c. 487, s. 7; 1999-393, s. 2.)

§ 143-150. No electricity to be furnished units not in compliance.

It is unlawful for any person to furnish electricity for use in any manufactured home without first ascertaining that the manufactured home and its electrical supply has been inspected pursuant

to G.S. 143-139 by the inspection authority having jurisdiction and found to comply with the requirements of the State Electrical Code. The certificate of compliance issued by the inspection jurisdiction shall be accepted as evidence of compliance. (1971, c. 1172, s. 6; 1985, c. 487, s. 7; 1993, c. 504, s. 35; 1999-393, s. 2.)

§ 143-151. Penalties.

(a) Any person who is found by the Commissioner to have violated the provisions of the Act, this Article, or any rules adopted under this Article, shall be liable for a civil penalty not to exceed one thousand dollars (\$1,000) for each violation. Each violation shall constitute a separate violation for each manufactured home or for each failure or refusal to allow or perform an act required by the Act, this Article, or any rules adopted under this Article. The maximum civil penalty may not exceed one million dollars (\$1,000,000) for any related series of violations occurring within one year after the date of the first violation. In determining the amount of the penalty, the Commissioner shall consider the degree and extent of harm caused by the violation, the amount of money that inured to the benefit of the violator as a result of the violation, whether the violation was willful, and the prior record of the violator in complying or failing to comply with laws, rules, or orders applicable to the violator. The clear proceeds of civil penalties provided for in this section shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

(b) Any individual, or a director, officer or agent of a corporation who knowingly and willfully violates the Act, this Article, or any rules adopted under this Article in a manner that threatens the health or safety of any purchaser is guilty of a Class I felony. (1971, c. 1172, s. 7; 1979, c. 558, s. 1; 1985, c. 487, s. 7; 1987, c. 429, s. 19; 1993, c. 539, s. 1011; 1994, Ex. Sess., c. 24, s. 14(c); 1998-215, s. 93; 1999-393, s. 2.)

§ 143-151.1. Enforcement.

The Commissioner may initiate any appropriate action or proceeding to prevent, restrain, or correct any violation of the Act, this Article, or any rules adopted under this Article. The Commissioner, or any of his deputies or employees, upon showing proper credentials and in the discharge of their duties under this Article, or the Act, is authorized at reasonable hours and without advance notice to enter and inspect all factories, warehouses, or establishments in this State in which manufactured homes are manufactured, stored or held for sale. (1971, c. 1172, s. 8; 1979, c. 558, s. 2; 1985, c. 487, s. 7; 1987, c. 429, ss. 15, 18, 19; 1999-393, s. 2.)

§ 143-151.2. Fees.

(a) The Commissioner shall establish a monitoring inspection fee in an amount required by the Secretary of HUD. This monitoring inspection fee shall be an amount paid by each manufactured home manufacturer in this State for each manufactured home produced by the manufacturer in this State.

(b) The monitoring inspection fee shall be paid by the manufacturer to the Secretary of HUD or the Secretary's agent. (1979, c. 558, s. 4; 1985, c. 487, s. 7; 1987, c. 429, s. 18; 1999-393, s. 2.)

§ 143-151.3. Reports.

Each manufacturer, distributor, and dealer of manufactured homes shall establish and maintain such records, make such reports, and provide such information as the Commissioner or the Secretary of HUD may reasonably require to be able to determine whether the manufacturer, distributor, or dealer has acted or is acting in compliance with this Article, or the Act and shall, upon request of a person designated by the Commissioner or the Secretary of HUD, permit the person to inspect appropriate books, papers, records and documents relevant to determining whether the manufacturer, distributor, or dealer has acted or is acting in compliance with this Article or the Act, and any rules adopted by the Commissioner under this Article. (1979, c. 558, s. 4; 1985, c. 487, s. 7; 1987, c. 429, ss. 18, 19; 1999-393, s. 2.)

§ 143-151.4. Notification of defects and correction procedures.

Every manufacturer of manufactured homes shall provide for notification and correction procedures in any manufactured home produced by the manufacturer in accordance with the Act, this Article, and any rules adopted by the Commissioner. (1979, c. 558, s. 4; 1985, c. 487, s. 7; 1987, c. 429, s. 14; 1999-393, s. 2.)

§ 143-151.5. Prohibited acts.

(a) No person shall:

- (1) Manufacture for sale, lease, sell, offer for sale or lease, or introduce or deliver, or import into the United States, any manufactured home that is manufactured on or after the effective date of any applicable manufactured home construction and safety standard under the Act or this Article and that does not comply with the standard, except as provided in subsections (b), (c), and (d) of this section.
- (2) Fail or refuse to permit access to or copying of records, or fail to make reports or provide information, or fail or refuse to permit entry or inspection, as required under the Act or this Article.
- (3) Fail to furnish notification of any defect as required by the Act or this Article.
- (4) Fail to issue a label or issue a label if the person in the exercise of due care has reason to know that the label is false or misleading in a material respect.
- (5) Fail to comply with a rule adopted or an order issued by the Commissioner under this Article.
- (6) Issue a certification pursuant to G.S. 143-148 if the person in the exercise of due care has reason to know that the certification is false or misleading in a material respect.

- (b)
 - (1) Subdivision (a)(1) of this section does not apply to the sale, the offer for sale, or the introduction or delivery of any manufactured home after the first purchase of it in good faith for purposes other than resale.
 - (2) Subdivision (a)(1) of this section does not apply to any person who establishes that he did not have reason to know in the exercise of due care that the manufactured home was not in conformity with applicable manufactured home construction and safety standards.

(c) Subdivision (a)(1) of this section shall not apply to any person who, before the first purchase, holds a certificate of compliance issued by the manufacturer or importer of the manufactured home to the effect that the manufactured home conforms to all applicable manufactured home construction and safety standards, unless the person knows that the

manufactured home does not so conform. (1979, c. 558, s. 4; 1985, c. 487, s. 7; 1987, c. 429, ss. 16, 19; 1999-393, s. 2.)

§ 143-151.6. Reserved for future codification purposes.

§ 143-151.7. Reserved for future codification purposes.